House Study Bill 164

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1  1      Section 1.  Section 556.1, Code 2007, is amended by adding
1  2 the following new subsections:
1  3      NEW SUBSECTION.  6A.  "Mineral" means gas, oil, and coal;
1  4 other gaseous, liquid, and solid hydrocarbons; oil shale;
1  5 cement material; sand and gravel; road material; building
1  6 stone; chemical raw material; gemstone; fissionable and
1  7 nonfissionable ores; colloidal and other clays; steam and
1  8 other geothermal resources; and any other substance defined as
1  9 a mineral by a law of this state.
1 10      NEW SUBSECTION.  6B.  "Mineral proceeds" means amounts
1 11 payable for the extraction, production, or sale of minerals,
1 12 or upon the abandonment of those payments, all payments that
1 13 become payable thereafter.  "Mineral proceeds" includes
1 14 amounts payable as follows:
1 15      a.  For the acquisition and retention of a mineral lease,
1 16 including bonuses, royalties, compensatory royalties, shut=in
1 17 royalties, minimum royalties, and delay rentals.
1 18      b.  For the extraction, production, or sale of minerals,
1 19 including net revenue interests, royalties, overriding
1 20 royalties, extraction payments, and production payments.
1 21      c.  Under an agreement or option, including a joint
1 22 operating agreement, unit agreement, pooling agreement, and
1 23 farm=out agreement, relating to the extraction, production, or
1 24 sale of minerals.
1 25                      EXPLANATION
1 26      This bill adds definitions of "mineral" and "mineral
1 27 proceeds" to Code chapter 556 which is concerned with the
1 28 disposition of unclaimed property.
1 29      Currently, Code section 556.1 defines property which is
1 30 subject to the provisions of the chapter to include mineral
1 31 proceeds (Code section 556.1, subsection 10, paragraph "b"),
1 32 and amounts distributable from a mineral interest in land
1 33 (Code section 556.1, subsection 10, paragraph "h") although
1 34 these terms are not currently defined.
1 35 LSB 1216HC 82
2  1 av:rj/sh/8
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